



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER OF PATENTS AND TRADEMARKS
Washington, D.C. 20231
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/426,410	10/25/1999	EITHAN Y. EPHRATI	03660.P011	1848

7590 04/15/2003

ANDRE M. GIBBS
BLAKELY SOKOLOFF TAYLOR & ZAFMAN
12400 WILSHIRE BOULEVARD
SEVENTH FLOOR
LOS ANGELES, CA 90025

EXAMINER

HARLE, JENNIFER I

ART UNIT

PAPER NUMBER

3627

DATE MAILED: 04/15/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/426,410

Applicant(s)

EPHRATI ET AL.

Examiner

Jennifer I. Harle

Art Unit

3726

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 March 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-31 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-31 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Claims 1-31 are pending. The rejections of claims 1-31 are maintained and **made final**.

Response to Arguments

Applicant's arguments filed March 19, 2003 have been fully considered but they are not persuasive.

Rejections Under 35 USC 102(e)

Applicant's attempt to traverse claims 1, 3-5, 7, 9, 11, 13-14, 16-17, 18, 20-24 and 26 by arguing that Luke does not teach that the initiating offer received from the first negotiating part is a retractable offer or that the counteroffer received from the second negotiating party is a retractable counteroffer. The examiner respectfully disagrees.

It is inherent/implicit to offers and counteroffers that they are retractable. According to Black's Law Dictionary, an offer is defined as a proposal to do a thing or pay an amount, usually accompanied by an expected acceptance, counter-offer, return promise or act – a manifestation of willingness to enter into a bargain, so made as to justify another person in understanding that his assent to that bargain is invited and will conclude it (Restatement, Second Contracts, §24) (pg. 1081). Additionally, Black's Law Dictionary has a separate definition for an irrevocable offer, i.e. one which may not be withdrawn after it has been communicated without the consent of the offeree (pg. 1081). Moreover, offer and acceptance are defined in a bilateral contract, the two elements which constitute mutual assent, a requirement of the contract or in a unilateral contract, the acceptance is generally the act or performance of the offeree, though, in most jurisdictions, a promise to perform is inferred if the offeree commences the undertaking and the offeror attempts to revoke before the offeree has had an opportunity to complete the act (Id. at

Art Unit: 3726

1082). These definitions state that the offeror is making a proposal/ manifesting a willingness and nothing in them states that the offer is irrevocable or firm. In fact, there are separate definitions for each of those terms. Even the definition of offer and acceptance states that the offeror can attempt to revoke. A counteroffer is merely a statement by the offeree which has the legal effect of rejecting the offer and proposing anew offer to the offeror (Restatement, Second, Contracts, § 59) (Id. at 349). Hence, a counteroffer is still an offer and the same set of definitions would apply. Thus, it is inherent/implicit to offers and counteroffers that they are revocable¹, i.e. retractable. According to Black's Law Dictionary, retraction is defined as to take back, to retract an offer is to withdraw it before acceptance (pg. 1317). Additionally, when an offer or counteroffers, he in essence retracts the original offer.

Applicant states that Luke does not teach that the offer is retractable and cites several passages. However, even if the exchange partner accepts the offerors initial offer the offer is still retractable because each participant has a supervising agent for authorization of the contract, who may either authorize or block the transaction (col. 10, lines 51-60). Thus, the negotiation initiating offer from the first negotiating party is a retractable offer, as is the counteroffer until there is acceptance by both sides.

Thus, Applicant argues that each and every limitation of independent claims 1 and 23 are not disclosed by Luke. However, as set forth by the examiner, those new limitations are inherent to Luke for the reasons set forth above. Applicant's have not argued any of the dependent claims or their limitations. As Applicant's arguments are not persuasive for the reasons set forth above,

¹ Revocable is defined assusecptible of being revoked, withdrawn or cancelled. Black's Law Dictionary, 1990, pg. 1321. Revoke is defined as to annul or make void by recalling or taking back. See also Revocation. Id. at 1322. Revocation in contract law, the widrwal of an offer by an offeror, unless the offer is irrevocable, it can be revoked at any time prior to acceptance without liability. Id. at 1321.

Art Unit: 3726

the rejections of claims 1, 3-5, 7, 9, 11, 13-14, 16-17, 18, 20-24 and 26 are maintained and **made final**.

Rejections Under 35 U.S.C. 102 (a)

Applicant's attempt to traverse claims 1-5, 7-18, 20-21 and 23-31 by arguing that internet.Carleton.ca - INSS ("INSS") does not teach that the initiating offer received from the first negotiating part is a retractable offer or that the counteroffer received from the second negotiating party is a retractable counteroffer. The examiner respectfully disagrees.

The examiner notes that Applicants do not admit that INSS is prior art and reserve the right to swear behind the reference at a later date. However, as applicant has not done so, the reference stands as a 102(a) reference and the rejections upon which it is based are maintained and made final.

It is inherent/implicit to offers and counteroffers that they are retractable. According to Black's Law Dictionary, an offer is defined as a proposal to do a thing or pay an amount, usually accompanied by an expected acceptance, counter-offer, return promise or act – a manifestation of willingness to enter into a bargain, so made as to justify another person in understanding that his assent to that bargain is invited and will conclude it (Restatement, Second Contracts, §24) (pg. 1081). Additionally, Black's Law Dictionary has a separate definition for an irrevocable offer, i.e. one which may not be withdrawn after it has been communicated without the consent of the offerree (pg. 1081). Moreover, offer and acceptance are defined in a bilateral contract, the two elements which constitute mutual assent, a requirement of the contract or in a unilateral contract, the acceptance is generally the act or performance of the offeree, though, in most jurisdictions, a promise to perform is inferred if the offeree commences the undertaking and the

Art Unit: 3726

offeror attempts to revoke before the offeree has had an opportunity to complete the act (Id. at 1082). These definitions state that the offeror is making a proposal/ manifesting a willingness and nothing in them states that the offer is irrevocable or firm. In fact, there are separate definitions for each of those terms. Even the definition of offer and acceptance states that the offeror can attempt to revoke. A counteroffer is merely a statement by the offeree which has the legal effect of rejecting the offer and proposing anew offer to the offeror (Restatement, Second, Contracts, § 59) (Id. at 349). Hence, a counteroffer is still an offer and the same set of definitions would apply. Thus, it is inherent/implicit to offers and counteroffers that they are revocable², i.e. retractable. According to Black's Law Dictionary, retraction is defined as to take back, to retract an offer is to withdraw it before acceptance (pg. 1317). Additionally, when an offer or counteroffers, he in essence retracts the original offer.

Applicant states that INSS does not explicitly teach that the offer/counteroffers are retractable. However, INSS explicitly teaches that negotiations are sent with messages (INSS – Using INSS: An Example). Further, INSS teaches that INSS can be used to support real-life negotiations (Internet Home Page; INSS – Using INSS). Additionally, INSS teaches that there are many types of messages supported, including unstructured messages (messages sent instead of an offer), messages complementing an offer (arguments for rejecting the opponent's previous offer), messages replacing offers (sent instead of an offer). Thus, as INSS teaches that it supports real life negotiations and free text messaging and it is inherent/implicit to all

² Revocable is defined as susceptible of being revoked, withdrawn or cancelled. Black's Law Dictionary, 1990, pg. 1321. Revoke is defined as to annul or make void by recalling or taking back. See also Revocation. Id. at 1322. Revocation in contract law, the withdrawal of an offer by an offeror, unless the offer is irrevocable, it can be revoked at any time prior to acceptance without liability. Id. at 1321.

Art Unit: 3726

offers/counteroffers that they are revocable/retractable, it is inherent/implicit to INSS that the offers/counteroffers are inherent/implicit to the INSS system.

As Applicant's only arguments that each and every limitation of the independent claims 1, 23 and 27 are not disclosed by INSS. However, as set forth by the examiner, those new limitations are inherent to INSS for the reasons set forth above. Applicant's have not argued any of the dependent claims or their limitations. As Applicant's arguments are not persuasive for the reasons set forth above, the rejections of claims 1-5, 7-18, 20-21 and 23-31 are maintained and **made final**.

Rejections Under 35 USC 103(a)

Applicant's attempt to traverse claims 1-31 by arguing that internet.Carleton.ca - INSS ("INSS") as applied to 1-5, 7-18, 20-21 and 23-31 and further in view of Kersten, Negotiation Support Systems and Negotiating Agents, Colloque SMAGET, October 5-8, 1998 ("Kersten") and U.S. Patent 6,401, 080 B1 of Bigus, et al. ("Bigus") does not teach that the initiating offer received from the first negotiating part is a retractable offer or that the counteroffer received from the second negotiating party is a retractable counteroffer. The examiner respectfully disagrees for the reasons set forth above.

Applicant further argues that Kersten does not represent effective prior art because Kersten was published after the filing date of the patent application because there was a last modified date of February 24, 200 printed on the document mailed with the Office Action. The examiner respectfully disagrees with the date of the document and provides a clean copy of the document clearly showing the publication date as October 5-8, 1998 (with no last modification

printed or indicated anywhere on the document). Thus, the date of the reference is deemed to be that printed on the document, i.e. October 5-8, 1998 and the document is not withdrawn.

The examiner notes that Applicants reserve the right to swear behind Kersten at a later date. However, as applicant has not done so, the reference stands and the rejections upon which it is based are maintained and made final.

As Applicant's only arguments that each and every limitation of the independent claims 1, 23 and 27 are not disclosed by INSS. However, as set forth by the examiner, those new limitations are inherent to INSS for the reasons set forth above. Applicant's have not argued any of the dependent claims or their limitations. Nor have Applicant's argued any of the rejections under 103(a) based upon the motivation to combine. As Applicant's arguments are not persuasive for the reasons set forth above, the rejections of claims 1-31 are maintained and **made final**.

Claim Rejections - 35 USC § 103

Assuming arguendo that it is not inherent/implicit to offers and counteroffers that they are retractable, it is old, well established business principle and well known in the business art that offers and counteroffers are retractable. According to Black's Law Dictionary, an offer is defined as a proposal to do a thing or pay an amount, usually accompanied by an expected acceptance, counter-offer, return promise or act – a manifestation of willingness to enter into a bargain, so made as to justify another person in understanding that his assent to that bargain is invited and will conclude it (Restatement, Second Contracts, §24) (pg. 1081). Additionally, Black's Law Dictionary has a separate definition for an irrevocable offer, i.e. one which may not be withdrawn after it has been communicated without the consent of the offerree (pg. 1081).

Art Unit: 3726

Moreover, offer and acceptance are defined in a bilateral contract, the two elements which constitute mutual assent, a requirement of the contract or in a unilateral contract, the acceptance is generally the act or performance of the offeree, though, in most jurisdictions, a promise to perform is inferred if the offeree commences the undertaking and the offeror attempts to revoke before the offeree has had an opportunity to complete the act (Id. at 1082). These definitions state that the offeror is making a proposal/ manifesting a willingness and nothing in them states that the offer is irrevocable or firm. In fact, there are separate definitions for each of those terms. Even the definition of offer and acceptance states that the offeror can attempt to revoke. A counteroffer is merely a statement by the offeree which has the legal effect of rejecting the offer and proposing anew offer to the offeror (Restatement, Second, Contracts, § 59) (Id. at 349). Hence, a counteroffer is still an offer and the same set of definitions would apply. Thus, it is inherent/implicit to offers and counteroffers that they are revocable³, i.e. retractable. According to Black's Law Dictionary, retraction is defined as to take back, to retract an offer is to withdraw it before acceptance (pg. 1317). Additionally, when an offer or counteroffers, he in essence retracts the original offer.

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

³ Revocable is defined as susceptible of being revoked, withdrawn or cancelled. Black's Law Dictionary, 1990, pg. 1321. Revoke is defined as to annul or make void by recalling or taking back. See also Revocation. Id. at 1322. Revocation in contract law, the withdrawal of an offer by an offeror, unless the offer is irrevocable, it can be revoked at any time prior to acceptance without liability. Id. at 1321.

Art Unit: 3726

1/2. Claims 1, 3-5, 7, 9, 11, 13-14, 16-17, 18, 20-24, and 26 are rejected under 35 U.S.C. 103(a) as being anticipated by Luke, et al. (6,131,087) or in the alternative by Luke, et al. (6,131,087) in view of Bigus, et al. (6,401,080).

As per claim 1, Luke teaches a method for managing an electronic negotiation (Abstract, col. 3, lines 23-29), comprising:

- Sending a negotiation initiating offer object to a first negotiating party for specifying rules of the negotiation and for forming a negotiation initiating offer including specification of at least one attribute (Figs. 1 and 2, col. 5, lines 26-66, col. 6, lines 45-55, col. 9, lines 1-57);
- Receiving the negotiation initiating offer from the first negotiating party, **the negotiation initiating offer from the first negotiating party being a retractable offer** (Figs. 1 and 2 col. 5, lines 26-66, col. 9, lines 1-57);
- Sending a counter offer object to a second negotiating party for forming a counter offer to a target negotiating party, wherein the target negotiating party of the counter offer object is the first negotiating party (Fig. 3, col. 9, lines 57-60);
- Receiving the counter offer from the second negotiating party, **the counter offer from the second negotiating party being a retractable offer** (Fig. 3; cols. 9-10, lines 60-4);
- Validating the counter offer if the counter offer complies with the rules of the negotiation (Fig. 3; cols. 9-10, lines 60-4); and
- Sending the validated counter offer to the first negotiating party to engage said first and second parties in active negotiation (Fig. 3., cols. 9-10, lines 60-34).

Assuming arguendo that it is not inherent that the negotiation initiating offer is retractable or that the counteroffer is retractable, Luke arguably does not specifically teach that the offer/counteroffer is retractable. However, Luke does teach that the exchange partner accepts the offerors initial offer the offer is still cancellable because each participant has a supervising agent for authorization of the contract, who may either authorize or block the transaction (col. 10, lines 51-60). The examiner takes Official Notice that receiving offers and counteroffers as retractable are old and well established business/contracting practices. See the definitions from Black's Law Dictionary set forth above. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the steps of having the initial offer and the counter offer being retractable in the method for managing an electronic negotiation of Luke because the skilled artisan would have recognized that this business practice streamlines the negotiation process by permitting each bargainer to regulate his own reliance more readily than he can the reliance of his promisee thereby permitting the prospect of gain to outweigh the risk of regret thus allowing more negotiations to end in the formation of contracts, permitting a higher level of certainty from which an offer will germinate and in which the terms are clear and definite thus resulting in a contract that will with stand legal scrutiny, ending fruitless negotiations early and without wasting unnecessary resources and time, allows parties to back out and optimize their resource allocation and is clearly applicable to all types of negotiations, i.e. unilateral, bilateral, concurrent bilateral, multilateral. These advantages are well known to those skilled in the art.

Assuming arguendo that it is not inherent that the negotiation initiating offer is retractable or that the counteroffer is retractable, Luke arguably does not specifically teach that the

Art Unit: 3726

offer/counteroffer is retractable. However, Luke does teach that the exchange partner accepts the offerors initial offer the offer is still cancellable because each participant has a supervising agent for authorization of the contract, who may either authorize or block the transaction (col. 10, lines 51-60). The examiner takes Official Notice that receiving offers and counteroffers as retractable are old and well established business/contracting practices. See the definitions from Black's Law Dictionary set forth above. Bigus teaches that any offer is retractable, whether it is the negotiation initiating offer or the counteroffer or both, whether it is based upon time and lack of response, the type/reliability of the other party, or the market conditions (Fig. 5, cols. 8-9, lines 23-29, col. 18, lines 13-20, cols. 23-24, lines 62-18). It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the steps of having the initial offer and the counter offer being retractable as taught in Bigus, et al. in the method for managing an electronic negotiation of Luke because the skilled artisan would have recognized that this business practice streamlines the negotiation process by permitting each bargainer to regulate his own reliance more readily than he can the reliance of his promisee thereby permitting the prospect of gain to outweigh the risk of regret thus allowing more negotiations to end in the formation of contracts, permitting a higher level of certainty from which an offer will germinate and in which the terms are clear and definite thus resulting in a contract that will with stand legal scrutiny, ending fruitless negotiations early and without wasting unnecessary resources and time, allows parties to back out and optimize their resource allocation and is clearly applicable to all types of negotiations, i.e. unilateral, bilateral, concurrent bilateral, multilateral. These advantages are well known to those skilled in the art.

Art Unit: 3726

As per claim 3, Luke teaches the method for managing an electronic negotiation of claim 1, wherein said rules of the negotiation includes a rule selected from the group consisting of offer rules, disclosure rules, and deal striking rules (cols. 6-7, lines 56-13; col. 9, lines 35-48; col. 10, lines 57-58).

As per claim 4, Luke teaches the method for managing an electronic negotiation of claim 1, wherein said rules of the negotiation includes a rule selected from the group consisting of a rule allowing said first negotiating party to engage in active negotiation with a plurality of negotiating parties in a switchable bilateral negotiation, a rule allowing said first negotiating party to engage in active negotiation with at least one negotiating party in a concurrent bilateral negotiation, a rule allowing said first negotiating party to engage in active negotiation with exactly one negotiating party in a bilateral negotiation, and a rule allowing each of said negotiation parties to engage in active negotiation at least one other negotiation parties in a many to many multilateral negotiation (cols. 3-4).

As per claim 5, Luke teaches the method for managing an electronic negotiation of claim 1, wherein said rules of the negotiation includes a rule selected from the group consisting of allowing said second negotiating party to engage in active negotiation with only said first negotiating party and rule allowing said second negotiating party to engage in active negotiation with a plurality of negotiating parties (cols. 9-11).

As per claim 7, Luke teaches the method for managing an electronic negotiation of claim 1, wherein said rules of the negotiation includes a rule allowing said first negotiating party to engage in active negotiation with at least one negotiating party in a concurrent bilateral

Art Unit: 3726

negotiation and a rule allowing active negotiation when a corresponding offer satisfies said offer rules (Figs. 1-3, cols. 6-9).

As per claim 8, Luke teaches a method for managing an electronic negotiation of claim 1, wherein said rules of negotiation includes a rule allowing said first negotiating party to engage in active negotiation with exactly one negotiating party in a bilateral negotiation and a rule excluding all other parties from said active negotiation (Fig. 2 - it is a two party system with no mechanism for additional parties).

As per claim 9, Luke teaches the method for managing an electronic negotiation of claim 1, wherein at least one of said rules of the negotiation is a dynamic rule and wherein compliance of said dynamic rule depends upon a history of the negotiation (Figs. 1a, 1b, 2-3; col. 6, lines 20-45, cols. 9-10, lines 49-34 – evaluation can be entirely automatic based on parameters chosen by the originator of the offer or solicitation data, archive database, process may continue as long as necessary to reach agreement on the terms of an exchange, evaluation of the counter-offers, minimum –maximum and earliest to latest ranges are dynamic).

As per claim 11, Luke teaches the method for managing an electronic negotiation of claim 1, wherein said rules of the negotiation includes at least one offer rule selected from the group consisting of a rule allowing only eligible parties to participate in the negotiation (col. 5, lines 40-52), a rule requiring each counter offer to improve upon a previous offer, a rule requiring each counter offer to improve upon a previous offer by a predetermine amount, and a rule requiring each counter offer to be submitted within a predetermined period of time.

As per claim 13, Luke teaches the method for managing an electronic negotiation of claim 1, wherein said specification of at least one attribute includes specification of a value

Art Unit: 3726

associated with the attribute and specification of a negotiability of the attribute value (Figs. 1a, 1b, 2-3; cols. 6-9).

As per claim 14, Luke teaches the method for managing an electronic negotiation of claim 1, further comprising:

- Sending the counter offer object to said first negotiating party for forming a counter offer to the counter offer of said second negotiating party (Fig. 3; cols. 9-10, lines 49-34);
- Receiving the counter offer from the first negotiating party (Fig. 3; cols. 9-10, lines 49-34);
- Validating the counter offer of the first negotiating party if the counter offer complies with the rules of the negotiation (Fig. 3; cols. 9-10, lines 49-34); and
- Sending the validated counter offer of the first negotiating party to the second negotiation party (Fig. 3, cols. 9-10, lines 49-34).

As per claim 16, Luke teaches the method for managing an electronic negotiation of claim 1, further comprising:

- Forming a negotiation state machine upon receiving the negotiation initiating offer from the first negotiating party, said negotiation state machine maintaining the current and previous states of the negotiation (Fig. 3 – software running on a computer would track each step up until archival, cols. 9-10, lines 49-34); and
- Updating said negotiation state machine with each validated counter offer (Fig. 3 – cols. 9-10, lines 49-34 – each validated counter offer is updated in the

negotiation machine as it may become the permanent record for the completed transaction).

As per claim 17, Luke teaches the method for managing an electronic negotiation of claim 16, wherein at least one of said rules of the negotiation is a dynamic rule and wherein compliance of said dynamic rule depends upon said previous state of the negotiation (Figs. 2-3; cols. 9-10, lines 49-34 – by utilizing the process outlined in Figs 2A-2B for counter-offers, this transmits the information that the offer is improving over previous offers – coming closer to the preferred attributes -, i.e. dynamic).

As per claim 18, Luke teaches the method for managing an electronic negotiation of claim 16, wherein at least one of said rules of the negotiation is a static rule and wherein compliance of said static rule depends only upon said current state of the negotiation (Fig. 3; col. 6, lines 45-55 – a participant may not access the system if his identity cannot be verified by the Account Registry, i.e. a rule relating to which parties are eligible to participate in the negotiation).

As per claim 20, Luke teaches the method for managing an electronic negotiation of claim 1, further comprising:

- Receiving an accept offer object for accepting one of said offers from one of said negotiating parties (Figs. 3-4, cols. 9-10, lines 49-35);
- Sending an offer acceptance message to said one of said negotiating parties (Figs. 3-4; cols. 9-10, lines 49-63); and
- Forming a deal based upon said rules of the negotiation, wherein said rules of the negotiation includes an offer acceptance rule (Figs. 3-4; cols. 9-10, lines 49-35 –

Art Unit: 3726

the process can be fully automated, which means there is inherently an offer acceptance rule otherwise the negotiating process could not be fully automated).

As per claim 21, Luke teaches the method for managing an electronic negotiation of claim 1, further comprising:

- Receiving a reject offer object for rejecting one of said offers of one of said negotiating parties from the target of said one of said offers (Fig. 3; cols. 9-10, lines 49-35); and
- Sending a reject offer message to said one of said negotiating parties (Fig. 3, cols. 9-10, lines 49-35).

As per claim 22, Luke teaches the method for managing an electronic negotiation of claim 1, further comprising:

- Receiving a negotiation break off object for breaking off the negotiation with one of said negotiating parties (Fig. 3, cols. 9-10, lines 49-35); and
- Sending an negotiation break off message to said one of said negotiating parties (Fig. 3, cols. 9-10, lines 49-35).

3/4. Claims 1-5, 7-18, 20-21, and 23-31 are rejected under 35 U.S.C. 103(a) as being anticipated by [interneg.Carleton.ca – INSS](#) or in the alternative as anticipated by [interneg.Carleton.ca –INSS](#) in view of [Bigus, et al. \(6,401,080 B1\)](#).

As per claim 1, INSS teaches a method for managing an electronic negotiation (About INSS), comprising:

- Sending a negotiation initiating offer object to a first negotiating party for specifying rules of the negotiation and for forming a negotiation initiating offer

Art Unit: 3726

including specification of at least one attribute (About INSS – Using INSS- Preparation);

- Receiving the negotiation initiating offer from the first negotiating party, **the negotiation initiating offer from the first negotiating party being a retractable offer** (About INSS – Using INSS – Conduct);
- Sending a counter offer object to a second negotiating party for forming a counter offer to a target negotiating party, wherein the target negotiating party of the counter offer object is the first negotiating party (About INSS – Using INSS – Conduct – you and your counterpart exchange a series of offers, i.e. counteroffers);
- Receiving the counter offer from the second negotiating party, **the counter offer from the second negotiating party being a retractable offer** (About INSS – Using INSS – Conduct);
- Validating the counter offer if the counter offer complies with the rules of the negotiation (About INSS – Using INSS – Conduct – all deals are ranked they may be very low and thus even though passed through would be terminated by the party; see also INSS Negotiation Protocols – Parallel Negotiations – allows negotiators to exchange only complete packages); and
- Sending the validated counter offer to the first negotiation party to engage said first and second parties in active negotiation (About INSS – Using INSS - Conduct).

Assuming *arguendo* that it is not inherent that the negotiation initiating offer is retractable or that the counteroffer is retractable, INSS arguably does not specifically teach that the offer/counteroffer is retractable. However, INSS explicitly teaches that negotiations are sent with messages (INSS – Using INSS: An Example). Further, INSS teaches that INSS can be used to support real-life negotiations (Internet Home Page; INSS – Using INSS). Additionally, INSS teaches that there are many types of messages supported, including unstructured messages (messages sent instead of an offer), messages complementing an offer (arguments for rejecting the opponent's previous offer), messages replacing offers (sent instead of an offer). Thus, as INSS teaches that it supports real life negotiations and free text messaging it would clearly be supported by the INSS system. The examiner takes Official Notice that receiving offers and counteroffers as retractable are old and well established business/contracting practices. See the definitions from Black's Law Dictionary set forth above. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the steps of having the initial offer and the counter offer being retractable in the method for managing an electronic negotiation of INSS because the skilled artisan would have recognized that this business practice streamlines the negotiation process by permitting each bargainer to regulate his own reliance more readily than he can the reliance of his promisee thereby permitting the prospect of gain to outweigh the risk of regret thus allowing more negotiations to end in the formation of contracts, permitting a higher level of certainty from which an offer will germinate and in which the terms are clear and definite thus resulting in a contract that will with stand legal scrutiny, ending fruitless negotiations early and without wasting unnecessary resources and time, allows parties to back out and optimize their resource allocation and is clearly applicable to all types of negotiations,

Art Unit: 3726

i.e. unilateral, bilateral, concurrent bilateral, multilateral. These advantages are well known to those skilled in the art.

Assuming arguendo that it is not inherent that the negotiation initiating offer is retractable or that the counteroffer is retractable, INSS arguably does not specifically teach that the offer/counteroffer is retractable. However, INSS explicitly teaches that negotiations are sent with messages (INSS – Using INSS: An Example). Further, INSS teaches that INSS can be used to support real-life negotiations (Internet Home Page; INSS – Using INSS). Additionally, INSS teaches that there are many types of messages supported, including unstructured messages (messages sent instead of an offer), messages complementing an offer (arguments for rejecting the opponent's previous offer), messages replacing offers (sent instead of an offer). Thus, as INSS teaches that it supports real life negotiations and free text messaging it would clearly be supported by the INSS system. Bigus teaches that any offer is retractable, whether it is the negotiation initiating offer or the counteroffer or both, whether it is based upon time and lack of response, the type/reliability of the other party, or the market conditions (Fig. 5, cols. 8-9, lines 23-29, col. 18, lines 13-20, cols. 23-24, lines 62-18). It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the steps of having the initial offer and the counter offer being retractable as taught in Bigus in the method for managing an electronic negotiation of INSS because the skilled artisan would have recognized that this business practice streamlines the negotiation process by permitting each bargainer to regulate his own reliance more readily than he can the reliance of his promisee thereby permitting the prospect of gain to outweigh the risk of regret thus allowing more negotiations to end in the formation of contracts, permitting a higher level of certainty from which an offer will germinate

Art Unit: 3726

and in which the terms are clear and definite thus resulting in a contract that will withstand legal scrutiny, ending fruitless negotiations early and without wasting unnecessary resources and time, allows parties to back out and optimize their resource allocation and is clearly applicable to all types of negotiations, i.e. unilateral, bilateral, concurrent bilateral, multilateral. These advantages are well known to those skilled in the art.

As per claim 2, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein said counter offer object is adapted for specification of at least one additional attribute in forming said counter offer (INSS – Negotiation Protocols – New Values for Discrete and Ordered Issues and New Issues)

As per claim 3, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS- About INSS) wherein said rules of the negotiation includes a rule selected from the group consisting of offer rules, disclosure rules, and deal striking rules (INSS – Negotiation Protocols – Parallel Negotiations, Sequential Negotiations, Specifying Your Best Alternative to the Negotiated Agreement (BATNA); INSS – About INSS – Using INSS – Preparation – identify the stakeholders and study the situation).

As per claim 4, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein said rules of the negotiation includes a rule selected from the group consisting of a rule allowing said first negotiating party to engage in active negotiation with a plurality of negotiating parties in a switchable bilateral negotiation, a rule allowing said first negotiating party to engage in active negotiation with at least one negotiating party in a concurrent bilateral negotiation, a rule allowing said first negotiating party to engage in active negotiation with exactly one negotiating party in a bilateral negotiation, and a rule allowing each

Art Unit: 3726

of said negotiation parties to engage in active negotiation at least one other negotiation parties in a many to many multilateral negotiation (INSS – About INSS – Five Ways to Use INSS – Negotiation Support System – designed so that two parties who can agree on the issues ...; INSS Glossary - Negotiation Support System).

As per claim 5, INSS teaches the method for managing an electronic negotiation method of claim 1 (INSS – About INSS), wherein said rules of the negotiation includes a rule selected from the group consisting of a rule allowing said second negotiating party to engage in active negotiation with only said first negotiating party and a rule allowing said second negotiating party to engage in active negotiation with a plurality of negotiating parties (INSS Glossary – Negotiation Support System).

As per claim 7, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein said rules of the negotiation includes a rule allowing said first negotiating party to engage in active negotiation with at least one negotiating party in a concurrent bilateral negotiation and a rule allowing active negotiation when a corresponding offer satisfies said offer rules (INSS – About INSS – Using INSS – Conduct; INSS – About INSS – Five Ways to Use INSS – Negotiation Support System).

As per claim 8, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein said rules of the negotiation includes a rule allowing said first negotiating party to engage in active negotiation with exactly one negotiating party in a bilateral negotiation and a rule excluding all other parties from said active negotiation (INSS – About INSS – Using INSS – Conduct; INSS – About INSS – Five Ways to Use INSS – Negotiation Support System).

As per claim 9, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein at least one of said rules of the negotiation is a dynamic rule and wherein compliance of said dynamic rule depends upon a history of the negotiation (Negotiating through INSS – some negotiations have a deadline).

As per claim 10, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein at least one of said rules of the negotiation is a static rule and wherein compliance of said depends solely upon the offer (INSS – Using INSS: An Example – messages regarding the warranty, price).

As per claim 11, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein said rules of the negotiation includes at least one offer rule selected from the group consisting of a rule allowing only eligible parties to participate in the negotiation, a rule requiring each counter offer to improve upon a previous offer, a rule requiring each counter offer to improve upon a previous offer by a predetermine amount, and a rule requiring each counter offer to be submitted within a predetermined period of time (INSS – About INSS – Five Ways to Use INSS – Negotiation Support System; Negotiating Through INSS – Getting Started).

As per claim 12, INSS teaches the method for managing an electronic negotiation for claim 1 (INSS – About INSS), wherein said rules of the negotiation includes at least one deal striking rule selected from the group consisting of a rule forming a deal upon acceptance of an offer by one of said parties, a rule allowing each of said parties to the negotiation to submit one more offer prior to forming a deal and after acceptance of an offer by one of said parties, and a rule allowing each of said parties to the negotiation to submit offers for a predetermined period

Art Unit: 3726

of time prior to forming a deal after acceptance of an offer by one of said parties (INSS – About INSS – Using INSS – Post Settlement; Negotiation through INSS – Introduction)

As per claim 13, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein said specification of at least one attribute includes specification of a value associated with the attribute and specification of a negotiability of the attribute value (INSS – About INSS – Using INSS – Preparation – preference elicitation through ratings and options and explained in the Example).

As per claim 14, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), further comprising:

- Sending the counter offer object to said first negotiating party for forming a counter offer to the counter offer of said second negotiating party (INSS FAQ 4; INSS – About INSS – Using INSS – Conduct – you and your counter part exchange a series of messages and offers, i.e. counter offers);
- Receiving the counter offer from the first negotiating party (INSS – About INSS – Using INSS – Conduct);
- Validating the counter offer of the first negotiating party if the counter offer complies with the rules of the negotiation (INSS – About INSS – Using INSS – Conduct; INSS – Negotiation Protocols – Parallel Negotiations - see explanation claim 1); and
- Sending the validated counter offer of the first negotiating party to the second negotiation party (INSS – About INSS – Using INSS – Conduct; INSS – Negotiation Protocols – Parallel Negotiations).

As per claim 15, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), further comprising:

- Sending the counter offer object to a third negotiating party for forming a third party counter offer to said negotiation initiating offer (INSS FAQ 4; INSS – About INSS – Using INSS – Conduct – you and your counter part exchange a series of messages and offers, i.e. counter offers);
- Receiving the third party counter offer from the third negotiating party (INSS – About INSS – Using INSS – Conduct);
- Validating the counter offer of the third negotiating party if the counter offer complies with the rules of the negotiation (INSS – About INSS – Using INSS – Conduct; INSS – Negotiation Protocols – Parallel Negotiations - see explanation claim 1); and
- Sending the validated counter offer of the third negotiating party to the first negotiation party (INSS – About INSS – Using INSS – Conduct; INSS – Negotiation Protocols – Parallel Negotiations).

As per claim 16, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), further comprising:

- Forming a negotiation state machine upon receiving the negotiation initiating offer from the first negotiating party, said negotiation state machine maintaining the current and previous states of the negotiation (INSS – About INSS – Five Ways to Use INSS – Negotiation Support System; INSS – About INSS – Using INSS – Conduct; INSS - Using INSS: An Example); and

Art Unit: 3726

- Updating said negotiation state machine with each validated counter offer (INSS – About INSS – Five Ways to Use INSS – Negotiation Support System; INSS – About INSS – Using INSS – Conduct: INSS – Using INSS: An Example).

Method claim 17 is rejected for the same reasons set forth in claim 9.

Method claim 18 is rejected for the same reasons set forth in claim 10.

As per claim 20, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), further comprising:

- Receiving an accept offer object for accepting one of said offers from one of said negotiating parties (INSS – About INSS – Using INSS – Post Settlement; INSS – Using INSS: An Example);
- Sending an offer acceptance message to said one of said negotiating parties (INSS – About INSS – Using INSS – Post Settlement; INSS – Using INSS: An Example); and
- Forming a deal based upon said rules of the negotiation, wherein said rules of the negotiation includes an offer acceptance rule (INSS – About INSS – Using INSS – Post Settlement; INSS – Using INSS: An Example).

As per claim 21, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), further comprising:

- Receiving a reject offer object for rejecting one of said offers of one of said negotiating parties from the target of said one of said offers (INSS – Using INSS: An Example – the offer was initially rejected, although countered and then accepted); and

Art Unit: 3726

- Sending a reject offer message to said one of said negotiating parties (INSS – Using INSS: An Example – the offer was initially rejected, although countered and then accepted).

System claim 23 is rejected for the same reasons set forth in claims 1 and 2.

System claim 24 is rejected for the same reasons as claim 14.

System claim 25 is rejected for the same reasons as claim 15.

System claim 26 is rejected for the same reasons as claim 16.

The computer program product on a computer readable medium claim 27 is rejected for the same reasons as claims 1 and 2.

The computer program product on a computer readable medium claim 28 is rejected for the same reasons as claims 1 and 2. See also Internet Support Tools and Aids.

The computer program product on a computer readable medium claim 29 is rejected for the same reasons as claim 14.

The computer program product on a computer readable medium claim 30 is rejected for the same reasons as claim 15.

The computer program product on a computer readable medium claim 31 is rejected for the same reasons as claim 16.

4/5. Claims 1-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over interneg.Carleton.ca – INSS as applied to claims 1-5, 7-18, 20-21, and 23-31 above, and further in view of Kersten, Negotiation Support Systems and Negotiating Agents, Colloque SMAGET, October 5-8, 1998 and Bigus, et al. (6,401,080).

Kersten teaches that they are developing the Internet Negotiation Support System (INSS). Additionally, Kersten teaches that a direction of development for INSS involves negotiating software agents, which may be autonomous software agents that engage in negotiations with others (pg. 5). Moreover, Kersten teaches that autonomous software agents are already available. (pg. 5). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized the intelligent agents of Bigus, et al. within the INSS system as explicitly taught by Kersten.

As per claim 1, INSS teaches a method for managing an electronic negotiation (About INSS; Bigus – Abstract; cols. 3-4), comprising:

- Sending a negotiation initiating offer object to a first negotiating party for specifying rules of the negotiation and for forming a negotiation initiating offer including specification of at least one attribute (About INSS – Using INSS-Preparation; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58);
- Receiving the negotiation initiating offer from the first negotiating party, **the negotiation initiating offer from the first negotiating party being a retractable offer** (About INSS – Using INSS – Conduct; Bigus – col. 8, lines 59-65);
- Sending a counter offer object to a second negotiating party for forming a counter offer to a target negotiating party, wherein the target negotiating party of the counter offer object is the first negotiating party (About INSS – Using INSS – Conduct – you and your counterpart exchange a series of offers, i.e. counteroffers; Bigus – Fig. 5; col. 9, lines 33-56);

Art Unit: 3726

- Receiving the counter offer from the second negotiating party, **the counter offer from the second negotiating party being a retractable offer** (About INSS – Using INSS – Conduct; Bigus – Fig. 5; col. 9, lines 33-56);
- Validating the counter offer if the counter offer complies with the rules of the negotiation (About INSS – Using INSS – Conduct – all deals are ranked they may be very low and thus even though passed through would be terminated by the party; see also INSS Negotiation Protocols – Parallel Negotiations – allows negotiators to exchange only complete packages; Bigus – Fig. 5; col. Col. 9, lines 33-56); and
- Sending the validated counter offer to the first negotiation party to engage said first and second parties in active negotiation (About INSS – Using INSS – Conduct; Bigus – Fig. 5; col. 9, lines 33-56).

Assuming arguendo that it is not inherent that the negotiation initiating offer is retractable or that the counteroffer is retractable, INSS arguably does not specifically teach that the offer/counteroffer is retractable. However, INSS explicitly teaches that negotiations are sent with messages (INSS – Using INSS: An Example). Further, INSS teaches that INSS can be used to support real-life negotiations (Internet Home Page; INSS – Using INSS). Additionally, INSS teaches that there are many types of messages supported, including unstructured messages (messages sent instead of an offer), messages complementing an offer (arguments for rejecting the opponent's previous offer), messages replacing offers (sent instead of an offer). Thus, as INSS teaches that it supports real life negotiations and free text messaging it would clearly be supported by the INSS system. The examiner takes Official Notice that receiving offers and

Art Unit: 3726

counteroffers as retractable are old and well established business/contracting practices. See the definitions from Black's Law Dictionary set forth above. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the steps of having the initial offer and the counter offer being retractable in the method for managing an electronic negotiation of INSS because the skilled artisan would have recognized that this business practice streamlines the negotiation process by permitting each bargainer to regulate his own reliance more readily than he can the reliance of his promisee thereby permitting the prospect of gain to outweigh the risk of regret thus allowing more negotiations to end in the formation of contracts, permitting a higher level of certainty from which an offer will germinate and in which the terms are clear and definite thus resulting in a contract that will with stand legal scrutiny, ending fruitless negotiations early and without wasting unnecessary resources and time, allows parties to back out and optimize their resource allocation and is clearly applicable to all types of negotiations, i.e. unilateral, bilateral, concurrent bilateral, multilateral. These advantages are well known to those skilled in the art.

Assuming arguendo that it is not inherent that the negotiation initiating offer is retractable or that the counteroffer is retractable, INSS arguably does not specifically teach that the offer/counteroffer is retractable. However, INSS explicitly teaches that negotiations are sent with messages (INSS – Using INSS: An Example). Further, INSS teaches that INSS can be used to support real-life negotiations (Internet Home Page; INSS – Using INSS). Additionally, INSS teaches that there are many types of messages supported, including unstructured messages (messages sent instead of an offer), messages complementing an offer (arguments for rejecting the opponent's previous offer), messages replacing offers (sent instead of an offer). Thus, as

Art Unit: 3726

INSS teaches that it supports real life negotiations and free text messaging it would clearly be supported by the INSS system. Bigus teaches that any offer is retractable, whether it is the negotiation initiating offer or the counteroffer or both, whether it is based upon time and lack of response, the type/reliability of the other party, or the market conditions (Fig. 5, cols. 8-9, lines 23-29, col. 18, lines 13-20, cols. 23-24, lines 62-18). It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the steps of having the initial offer and the counter offer being retractable as taught in Bigus in the method for managing an electronic negotiation of INSS because the skilled artisan would have recognized that this business practice streamlines the negotiation process by permitting each bargainer to regulate his own reliance more readily than he can the reliance of his promisee thereby permitting the prospect of gain to outweigh the risk of regret thus allowing more negotiations to end in the formation of contracts, permitting a higher level of certainty from which an offer will germinate and in which the terms are clear and definite thus resulting in a contract that will with stand legal scrutiny, ending fruitless negotiations early and without wasting unnecessary resources and time, allows parties to back out and optimize their resource allocation and is clearly applicable to all types of negotiations, i.e. unilateral, bilateral, concurrent bilateral, multilateral. These advantages are well known to those skilled in the art.

As per claim 2, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), wherein said counter offer object is adapted for specification of at least one additional attribute in forming said counter offer (INSS – Negotiation Protocols – New Values for Discrete and Ordered Issues and New Issues)

Art Unit: 3726

As per claim 3, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS- About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58) wherein said rules of the negotiation includes a rule selected from the group consisting of offer rules, disclosure rules, and deal striking rules (INSS – Negotiation Protocols – Parallel Negotiations, Sequential Negotiations, Specifying Your Best Alternative to the Negotiated Agreement (BATNA); INSS – About INSS – Using INSS – Preparation – identify the stakeholders and study the situation; Bigus – col. 15, lines 33-41, col. 16, lines 37-41).

As per claim 4, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), wherein said rules of the negotiation includes a rule selected from the group consisting of a rule allowing said first negotiating party to engage in active negotiation with a plurality of negotiating parties in a switchable bilateral negotiation, a rule allowing said first negotiating party to engage in active negotiation with at least one negotiating party in a concurrent bilateral negotiation, a rule allowing said first negotiating party to engage in active negotiation with exactly one negotiating party in a bilateral negotiation, and a rule allowing each of said negotiation parties to engage in active negotiation at least one other negotiation parties in a many to many multilateral negotiation (INSS – About INSS – Five Ways to Use INSS – Negotiation Support System – designed so that two parties who can agree on the issues ...; INSS Glossary - Negotiation Support System; Bigus – col. 9, lines 58-63 – agent rules can be bilateral, concurrent, switchable, etc.).

As per claim 5, INSS teaches the method for managing an electronic negotiation method of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58),

Art Unit: 3726

wherein said rules of the negotiation includes a rule selected from the group consisting of a rule allowing said second negotiating party to engage in active negotiation with only said first negotiating party and a rule allowing said second negotiating party to engage in active negotiation with a plurality of negotiating parties (INSS Glossary – Negotiation Support System; Bigus – col. 9, lines 58-63 agent rules vary and can permit one to many or many to one, the system is not limited as set forth).

As per claim 6, INSS teaches as set forth above for claim 6. However, INSS does not teach that rules of negotiation include a rule allows said first negotiating party to engage in active negotiation with a plurality of negotiating parties in a switchable bilateral negotiation and a rule allowing switching of active negotiation only when a competing offer improves upon a previous offer by a predetermined amount. Bigus teaches that negotiations may be conducted with more than one other party at a time using separate execution or other context switching mechanism (col. 9, lines 58-63). Bigus also teaches that one or more operating parameters of the routine are randomized and/or constrained to improve the negotiation performance of the agent in order to limit unproductive negotiation (cols. 9-10, lines 64-10). One context switching mechanism/operating parameter of the routine that could be randomized would be a rule allowing switching of active negotiation only when a competing offer improves upon a previous offer by a predetermined amount. It would have been obvious to one of ordinary skill in the art to have added such a rule to the Bigus agent for incorporation into the INSS system as such a rule would limit unproductive negotiations, ensure that the “buyer” was receiving as good a deal as the agent designer believed possible, i.e. maximizing profits and would enhance the efficiency of the overall negotiation process.

Art Unit: 3726

As per claim 7, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), wherein said rules of the negotiation includes a rule allowing said first negotiating party to engage in active negotiation with at least one negotiating party in a concurrent bilateral negotiation and a rule allowing active negotiation when a corresponding offer satisfies said offer rules (INSS – About INSS – Using INSS – Conduct; INSS – About INSS – Five Ways to Use INSS – Negotiation Support System).

As per claim 8, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), wherein said rules of the negotiation includes a rule allowing said first negotiating party to engage in active negotiation with exactly one negotiating party in a bilateral negotiation and a rule excluding all other parties from said active negotiation (INSS – About INSS – Using INSS – Conduct; INSS – About INSS – Five Ways to Use INSS – Negotiation Support System; Bigus – Fig. 5).

As per claim 9, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), wherein at least one of said rules of the negotiation is a dynamic rule and wherein compliance of said dynamic rule depends upon a history of the negotiation (Negotiating through INSS – some negotiations have a deadline; Bigus – cols. 18-24).;

As per claim 10, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), wherein at least one of said rules of the negotiation is a static rule and wherein compliance of said

Art Unit: 3726

depends solely upon the offer (INSS – Using INSS: An Example – messages regarding the warranty, price; Fig. 5 - Timer).

As per claim 11, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS), wherein said rules of the negotiation includes at least one offer rule selected from the group consisting of a rule allowing only eligible parties to participate in the negotiation, a rule requiring each counter offer to improve upon a previous offer, a rule requiring each counter offer to improve upon a previous offer by a predetermine amount, and a rule requiring each counter offer to be submitted within a predetermined period of time (INSS – About INSS – Five Ways to Use INSS – Negotiation Support System; Negotiating Through INSS – Getting Started; Bigus – Fig. 5; col. 16, lines 36-41).

As per claim 12, INSS teaches the method for managing an electronic negotiation for claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), wherein said rules of the negotiation includes at least one deal striking rule selected from the group consisting of a rule forming a deal upon acceptance of an offer by one of said parties, a rule allowing each of said parties to the negotiation to submit one more offer prior to forming a deal and after acceptance of an offer by one of said parties, and a rule allowing each of said parties to the negotiation to submit offers for a predetermined period of time prior to forming a deal after acceptance of an offer by one of said parties (INSS – About INSS – Using INSS – Post Settlement; Negotiation through INSS – Introduction; Bigus – Fig. 5)

As per claim 13, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), wherein said specification of at least one attribute includes specification of a value associated with the

Art Unit: 3726

attribute and specification of a negotiability of the attribute value (INSS – About INSS – Using INSS – Preparation – preference elicitation through ratings and options and explained in the Example; Bigus – Fig. 6 – adjust value of previous asked price).

As per claim 14, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), further comprising:

- Sending the counter offer object to said first negotiating party for forming a counter offer to the counter offer of said second negotiating party (INSS FAQ 4; INSS – About INSS – Using INSS – Conduct – you and your counter part exchange a series of messages and offers, i.e. counter offers; Bigus – Fig. 5 – Response is counter-offer; cols. 9-10);
- Receiving the counter offer from the first negotiating party (INSS – About INSS – Using INSS – Conduct; Bigus – Fig. 5; cols. 9-10);
- Validating the counter offer of the first negotiating party if the counter offer complies with the rules of the negotiation (INSS – About INSS – Using INSS – Conduct; INSS – Negotiation Protocols – Parallel Negotiations - see explanation claim 1; Bigus – Fig. 5; cols. 9-10); and
- Sending the validated counter offer of the first negotiating party to the second negotiation party INSS – About INSS – Using INSS – Conduct; INSS – Negotiation Protocols – Parallel Negotiations; Bigus – Fig. 5; cols. 9-10).

Art Unit: 3726

As per claim 15, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), further comprising:

- Sending the counter offer object to a third negotiating party for forming a third party counter offer to said negotiation initiating offer (INSS FAQ 4; INSS – About INSS – Using INSS – Conduct – you and your counter part exchange a series of messages and offers, i.e. counter offers; Bigus – Fig. 5; cols. 9-10 – as there can be multiple parties there would be third party counter offers which would follow the same pattern);
- Receiving the third party counter offer from the third negotiating party (INSS – About INSS – Using INSS – Conduct; Bigus – Fig. 5; cols. 9-10);
- Validating the counter offer of the third negotiating party if the counter offer complies with the rules of the negotiation (INSS – About INSS – Using INSS – Conduct; INSS – Negotiation Protocols – Parallel Negotiations - see explanation claim 1; Bigus – Fig. 5; cols. 9-10); and
- Sending the validated counter offer of the third negotiating party to the first negotiation party (INSS – About INSS – Using INSS – Conduct; INSS – Negotiation Protocols – Parallel Negotiations; Bigus – Fig. 5; cols. 9-10).

As per claim 16, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), further comprising:

- Forming a negotiation state machine upon receiving the negotiation initiating offer from the first negotiating party, said negotiation state machine maintaining the current and previous states of the negotiation (INSS – About INSS – Five Ways to Use INSS – Negotiation Support System; INSS – About INSS – Using INSS – Conduct; INSS - Using INSS: An Example; Bigus – entire patent agents in conjunctions with INSS); and
- Updating said negotiation state machine with each validated counter offer (INSS – About INSS – Five Ways to Use INSS – Negotiation Support System; INSS – About INSS – Using INSS – Conduct: INSS – Using INSS: An Example).

Method claim 17 is rejected for the same reasons set forth in claim 9.

Method claim 18 is rejected for the same reasons set forth in claim 10.

As per claim 19, INSS and Bigus teach as set forth in claim 1. However, INSS does not teach receiving retraction of an offer or the associated steps set forth. Bigus teaches:

- Receiving a request for a retraction of an offer from one of said negotiating parties (Fig. 5 – Timer expired; col. 9, lines 23-32);
- Validating the retraction request if the request complies with the rules of the negotiation wherein said rules of the negotiation includes an offer retraction rule (Fig. 5 – Timer expired; col. 9, lines 23-32)
- Retracting said offer if the retraction request is valid (Fig. 5 – withdraw, i.e. retract offer; col. 9, lines 23-32);
- Sending an offer retraction message to the target of the offer if the offer is retracted (col. 9, lines 23-32).

As per claim 20, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), further comprising:

- Receiving an accept offer object for accepting one of said offers from one of said negotiating parties (INSS – About INSS – Using INSS – Post Settlement; INSS – Using INSS: An Example; Bigus – Fig. 5; col. 9, lines 33-42);
- Sending an offer acceptance message to said one of said negotiating parties (INSS – About INSS – Using INSS – Post Settlement; INSS – Using INSS: An Example; Bigus – Fig. 5; col. 9, lines 33-42); and
- Forming a deal based upon said rules of the negotiation, wherein said rules of the negotiation includes an offer acceptance rule (INSS – About INSS – Using INSS – Post Settlement; INSS – Using INSS: An Example; Bigus – Fig. 5; col. 9, lines 33-42).

As per claim 21, INSS teaches the method for managing an electronic negotiation of claim 1 (INSS – About INSS; Bigus - Figs. 4-5; col. 7, lines 46-67, col. 8, lines 24-58), further comprising:

- Receiving a reject offer object for rejecting one of said offers of one of said negotiating parties from the target of said one of said offers (INSS – Using INSS: An Example – the offer was initially rejected, although countered and then accepted; Bigus – Fig. 5 – not acceptable/don't counter offer/negotiation complete; col. 9, lines 43-49); and

Art Unit: 3726

- Sending a reject offer message to said one of said negotiating parties (INSS – Using INSS: An Example – the offer was initially rejected, although countered and then accepted; Bigus – Fig. 5 – not acceptable/don't counter offer/negotiation complete; col. 9, lines 43-49).

As per claim 22, INSS and Bigus teach as set forth in claim 1. However, INSS does not explicitly teach breaking off the negotiations with one of the negotiating parties. Both rejecting an offer and retracting an offer result in a form of breaking off of negotiations with one of the parties and thus claim 22 is rejected for the reasons set forth in claims 19 and 21. Furthermore, Bigus teaches that as a result of volatile market conditions pending offers may be withdrawn until trading volatility decreases, i.e. broken off (col. 24, lines 10-18). As previously set forth in claim 19 the withdraw steps would be followed and a message sent.

System claim 23 is rejected for the same reasons set forth in claims 1 and 2.

System claim 24 is rejected for the same reasons as claim 14.

System claim 25 is rejected for the same reasons as claim 15.

System claim 26 is rejected for the same reasons as claim 16.

The computer program product on a computer readable medium claim 27 is rejected for the same reasons as claims 1 and 2.

The computer program product on a computer readable medium claim 28 is rejected for the same reasons as claims 1 and 2. See also Internet Support Tools and Aids.

The computer program product on a computer readable medium claim 29 is rejected for the same reasons as claim 14.

The computer program product on a computer readable medium claim 30 is rejected for the same reasons as claim 15.

The computer program product on a computer readable medium claim 31 is rejected for the same reasons as claim 16.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jennifer I. Harle whose telephone number is (703) 306-2906. The examiner can normally be reached on Monday - Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on (703) 305-4716. The fax phone numbers for the

Application/Control Number: 09/426,410


Page 41

Art Unit: 3726

organization where this application or proceeding is assigned are (703) 305-7687 for regular communications and (703) 305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Jennifer Ione Harle
April 8, 2003


Richard Chilcot
Supervisory Patent Examiner
Technology Center 285
3600